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BY HAND

Mr. William F. Caton  
Office of the Secretary  
Federal Communications Commission  
1919 M Street, N.W.  
Room 222  
Washington, D.C. 20554

DOCKET FILE COPY ORIGINAL


Re: In the Matter of Federal-State Joint Board on Universal  
Service, CC Docket No. 96-45, DA 97-1957

Dear Mr. Caton:

Transmitted herewith on behalf of the State of Alaska are an original and four copies of the "Comments of the State of Alaska" in the above-referenced proceeding. As requested by the Common Carrier Bureau, eight copies are being delivered to Sheryl Todd, Universal Service Branch, Accounts and Audits Division, and one copy is being delivered to International Transcription Service.

In the event there are any questions concerning this matter, please communicate with the undersigned.

Very truly yours,

  
Robert M. Halperin

Enclosures

cc: Sheryl Todd (8 copies)  
Universal Service Branch  
Accounts and Audits Division  
International Transcription Service

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Before the  
**FEDERAL COMMUNICATIONS COMMISSION**  
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In the Matter of	)	
	)	
Federal-State Joint Board	)	CC Docket No. 96-45
on Universal Service	)	
	)	
Responses to Questions of the	)	DA 97-1957
Common Carrier Bureau on	)	
Distribution Options for	)	
Schools, Libraries, and Rural	)	
Health Care Providers	)	

**COMMENTS OF THE STATE OF ALASKA**

The State of Alaska wishes to comment briefly on the questions posed by the Common Carrier Bureau on September 10, 1997 (DA 97-1957) concerning how universal service funds to schools, libraries, and rural health care providers should be distributed if the requests for universal service funds from these entities appear to be greater than the amount of support available.

As the Bureau states, the distribution of universal service funds to these entities is to be on a "first-come, first-served" basis until it appears that available funds may be exhausted. The State believes that additional guidance should be given to the Administrator to assure that, in the event available funds may be exhausted, the entities most in need of universal service support receive that support.

The State thus provides the following comments with respect to the Bureau's specific questions:

- (1) The State believes that a "window" period should be established

during which eligible entities would be treated as if their applications for funding were received at the same time. This "window" should be of sufficient length to permit schools, libraries, and rural health care providers to learn of the opening of the "window" and then to finalize and submit their applications. The State believes that 30 days is an appropriate amount of time. Schools, libraries, and rural health care providers located in distant and remote locations -- precisely the entities that Congress sought to assist through these provisions -- should not be handicapped, particularly as the amount of funds remaining for distribution diminishes.

The State does not believe, however, that all applications submitted during the same "window" should be treated equally. Entities in the two most economically disadvantaged categories (areas in which 50-74 percent of students are eligible for benefits under the national school lunch program and areas in which 75-100 percent of students are eligible for benefits under the national school lunch program) should receive priority, as required by the Commission's rules. Indeed, the State believes that those in the most disadvantaged category should receive priority over those in the second most economically disadvantaged category. An additional needs-based criterion is suggested in the response to question (4), below.

(2) The rules of priority should apply for the distribution of funds during the first half of 1998, as well as for the year as a whole. Otherwise, schools, libraries, and rural health care providers most in need of support may find that

support unavailable.

(3) Rules of priority similar to those for schools and libraries should be used for the distribution of support to rural health care providers. In the event there appears to be a potential exhaustion of funds, support for rural health care providers should be distributed according to need-based criteria, just as is the case for schools and libraries.

Universal service is a national policy and these programs are designed to provide all Americans with support for critical health care and educational services. Areas of the greatest need are not likely to be distributed uniformly throughout the Nation; some areas are more likely to be in need than others. A formula that distributes universal service on a geographic basis that is unrelated to need, therefore, should not be employed.

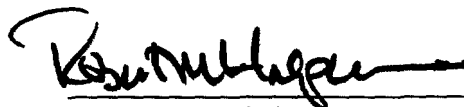
(4) As discussed above, the State believes that, in the event of a potential exhaustion of support for schools, libraries, and rural health care providers, needs-based rules of priority should be applied, particularly at the earliest stages of these support programs. As an additional rule of priority, the State suggests that areas in which local or toll-free dial-up access to the Internet is not available should be given priority over areas in which such access exists. For schools and libraries, this criterion could be applied to prioritize applications from areas in the same category of economic disadvantage. For rural health care providers (where the categorization of economic advantage is not applicable), this criterion could be applied to prioritize all applications.

The State believes that this additional rule of priority would be useful in measuring the need of a particular area for universal service support under these programs. Communities in which local or toll-free dial up access to the Internet is not available are likely to be most in need of universal service support. It is less likely that affordable information services and advanced telecommunications services are available in these communities than elsewhere.

The State also believes that this information is not unduly burdensome to obtain or verify, thus making this criterion relatively easy to administer.

Respectfully submitted,

THE STATE OF ALASKA



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